



Louisiana Housing Corporation

The following resolution was offered by Board Member Guy T. Williams, Jr. and seconded by Vice-Chairman Mayson H. Foster:

RESOLUTION

A resolution approving the Neighborhood Stabilization Program ("NSP") Reallocation Plan, attached as "Exhibit A"; and providing for other matters in connection therewith.

WHEREAS, on July 26, 2008 Congress passed bill H.R. 3221 (commonly referred to as the Housing Economic Recovery Act of 2008) awarding funds to the State of Louisiana to implement the Neighborhood Stabilization Program ("NSP") for the emergency assistance and redevelopment of abandoned and foreclosed properties; and

WHEREAS, the Louisiana Housing Finance Agency (the "Agency"), through a Cooperative Endeavor Agreement with the Louisiana Office of Community Development, has designed and implemented a program for the performance of the Neighborhood Stabilization Program's goals and objectives; and

WHEREAS, the Agency approved the selection of Neighborhood Stabilization Program participants through a competitive process, the awards for which were approved by resolution of the Louisiana Housing Finance Agency's Board of Commissioners ("BOC") on April 8th, 2009; and

WHEREAS, the LHFA met its commitment to OCD to have NSP funds obligated by August 31, 2010; and

WHEREAS, the deadline for the expenditure of obligated NSP funds as set forth in the CEA with OCD is January 31, 2013; and

WHEREAS, the rules of NSP provide that if for some reason funds that were obligated by the obligation deadline cannot be expended, the funds will no longer be considered obligated, and would therefore need to be re-obligated to another NSP-eligible use or be at risk for recapture by HUD; and

WHEREAS, certain NSP projects have indicated that they will not have all funds expended by the deadline and have voluntarily agreed to return the unexpended portion of their NSP allocation; and

WHEREAS, the Agency will continue to monitor on a monthly basis the performance of each NSP project to ensure that funds are expended in a timely manner.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, acting as governing authority of the Louisiana Housing Finance Agency, that:

SECTION 1. The NSP Reallocation Plan, attached hereto as Exhibit A, is hereby approved.

SECTION 2. The Agency will report to the Board on a monthly basis on the expenditure, de-obligation and re-obligation of such funds.

SECTION 3. The Agency Staff and Counsel are authorized, empowered, and directed as may be necessary to create, change, amend, and revise any existing documents, agreements and/or commitments as may be necessary to effectuate this resolution.

SECTION 4. The Chairman, Vice Chairman, Executive Director, and/or Secretary of the Agency are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution.

This resolution having been submitted to a Roll Call vote, the vote thereon was as follows:

YEAS: Michael L. Airhart, Mayson H. Foster, John N. Kennedy,
Matthew P. Ritchie, Guy T. Williams, Jr.

NAYS: None

ABSTAIN: Dr. Daryl V. Burckel, Ellen M. Lee

ABSENT: Willie Spears, Malcolm Young

And the resolution was declared adopted on this, the 13th day of June, 2012.



Chairman



Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing three (3) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on June 13, 2012, entitled: "A resolution approving the Neighborhood Stabilization Program ("NSP") Recapture Plan, attached as "Exhibit A; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 13th day of June, 2012.


Secretary

(SEAL)

Neighborhood Stabilization Program NSP I

Reallocation Plan June 2012

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Reallocation Plan June 2012

Under the Housing and Economic Recovery Act (HERA) of 2008, the U.S. Department of Housing and Urban Development (HUD) allocated \$34,183,994 in grant funds to the State of Louisiana. The State of Louisiana Office of Community Development (OCD) was designated to allocate these grant funds to be implemented as the Neighborhood Stabilization Program (NSP). OCD has partnered with the LHFA as the lead agency to distribute and monitor the expenditure of these funds in accordance with applicable NSP guidelines. The roles and responsibilities of OCD and the LHFA are defined under a Cooperative Endeavour Agreement approved on May 6, 2009.

Activities included in the NSP Substantial Amendment provide for the allocation of NSP funds to areas of greatest need identified by HUD through the State of Louisiana. NSP funds are a special Community Development Block Grant (CDBG) allocation, intended to return foreclosed, abandoned, blighted or vacant properties to the market in order to stabilize neighborhoods. The following definitions of abandoned, blighted structure and foreclosed have been provided by HUD:

1. **Abandoned** – A home is abandoned when no mortgage or tax payments have been made by the property owner for at least ninety (90) days; or a code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective action within ninety (90) days after notification of the deficiencies.
2. **Blighted Structure** – A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.
3. **Foreclosed** – A property “has been foreclosed upon” if:
 - a. It is at least sixty (60) days delinquent on its mortgage and the owner has been notified of such delinquency; or
 - b. The property owner is ninety (90) days delinquent or more on tax payments;
 - c. Under state or local law, foreclosure proceedings have been initiated or completed; or
 - d. Foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, sub-recipient, developer, or end user.
4. **Vacant**

One hundred percent (100%) of NSP funds must be used to benefit individuals and households whose income does not exceed one hundred twenty percent (120%) of area

median income (AMI), with at least twenty-five percent (25%) of the funds being used to benefit persons at or below fifty percent (50%) AMI.

Why an NSP Reallocation Plan is Necessary?

Total Potential Reallocation Amount
\$612,000.00

\$ Up to

NSP I has a program policy that requires all grantees expend all NSP I funds by November 2012. *Table 1* provides a list of the 18 NSP grantees and their funding award amounts. The LHFA's Cooperative Endeavor Agreement with The Office of Community Development expires on January 31, 2013. OCD has to meet HUD's deadline to have all NSP I funds expended by March 20, 2013. LHFA has provided communications to all grantees that all final invoices must be received at LHFA by November 30, 2012. It is LHFA's intent to submit all final invoices to OCD no later than December 31, 2012. Our goal is to meet 100% expenditure threshold.

The purpose of recapturing funds from grantees is to ensure that the NSP funding creates the maximum number of affordable housing units possible and to avoid having un-spent funds recaptured by HUD. Table 5 indicates a snapshot of what projected funds that can be de-obligated upon approval of this Plan. Our first step in the de-obligation process, will include amending the grantees agreements (as listed in Table 5) to de-obligate funds voluntarily given back or un-used funds based on the original budgets. Please note that the amount will vary based on final project completion and analysis. Thereafter, each month, across ninety days, (June, July, and August) the NSP staff will monitor project completion and the use of NSP funds to determine amount for de-obligation. As amounts are determined and finalized, agreements will be amended accordingly.

Table 1: List of NSP Awardees

Listed below in Table 2 are the NSP Grantees' Completion Status and Funding

	Grantee	Status	Project Type	Units required	Units completed	Award Amount
1	City of Monroe/Habitat for Humanity of Ouachita - Monroe	50%	Homeownership	11	2	\$1,120,000.00
2	Hope Enterprise Corporation- New Orleans	100%	Homeownership	6	6	\$1,373,896.00

3	Habitat for Humanity of Louisiana SSO - New Iberia, Lake Charles, New Orleans	40%	Homeownersh ip	43	15	\$4,300,000. 00
4	Inner City revitalization -Alexandria	100%	Homeownersh ip	6	6	\$467,275.00
5	Jericho Road Episcopal Housing -New Orleans	75%	Homeownersh ip	7	3	\$847,833.52
6	Money Management International	on-going classes	Homebuyer Ed			\$23,000.00
7	Neighborhood Housing Services	contract ended	Homebuyer Ed			\$40,000.00
8	New Orleans Neighborhood Development-New Orleans	100%	Homeownersh ip	3	3	\$217,134.00
9	North East Louisiana Economic Alliance - Rayville, Winnsboro, Monroe, West Monroe	disposing	Landbanking	9	9	\$815,601.46
10	Rays of Sonshine - Monroe	100%	Rental	12	12	\$1,530,000. 00
11	Southern Mutual Help - New Iberia	100%	Homeownersh ip	5	5	\$486,039.0 0
12	St. Mary Community Action Agency	contract ended	Homebuyer Ed			\$10,000.00
13	GCHP/SVDP-One Stop Homeless Center-Baton Rouge	100%	Rental	36	36	\$1,000,000. 00
14	GCHP-The Scott Project - Baton Rouge	100%	Rental	40	40	\$1,000,000. 00
15	GCHP-MLK Project - New Orleans	60%	Rental	49	0	\$1,723,937. 00
16	Mid City Gardens/formerly Capital City South - Baton Rouge	80%	Rental	60	0	\$14,136,800 .00

17	City of Alexandria - Alexandria	100%	Rental	56	56	\$1,250,000.00
18	Town of Kentwood	100%	Rental	3	3	\$369,539.00
SUBTOTAL FOR NSP				343	197	30,710.254.98

NSP Program staff conducted an assessment to determine which grantees will meet the November 2012 expenditure deadline. **Table 2** provides a listing of those grantees who are a 100% completed.

Table3 is a listing of grantees' who are expected to meet the November 2012 expenditure deadline. There are some grantees in Tables 1 &3 who will complete their projects under budget.

Table 2: NSP Grantees 100% completed:

<input type="checkbox"/>	Grantee	Status	Project Type	Units required	Units completed	Award Amount	Remaining Balance	
1	Hope Enterprise Corporation-New Orleans	100% complete	Homeownership	6	6	\$1,373,896.00	\$223,855.28 Portion is also development fee	
2	Inner City revitalization Alexandria	100% complete	Homeownership	6	6	\$467,275.00	\$0	
3	New Orleans Neighborhood Development-New Orleans	100% complete	Homeownership	3	3	\$217,134.00	\$28,321.84 (Development Fee)	
4	GCHP/SVDP-One Stop Homeless Center-Baton Rouge	100% complete	Rental	36	36	\$1,000,000.00	\$0.00	gram NSP I I
5	GCHP-The Scott Project - Baton Rouge	100% complete	Rental	40	40	\$1,000,000.00	\$0.00	
6	City of Alexandria	100% complete	Rental	56	56	\$1,250,000.00	\$0.00	Stabiliz
7	Rays of Sonshine	100% complete	Rental	12	12	\$1,250,000.00	\$168,603.93 Portion is also Developer Fees)	
8	Town of Kentwood	100 % complete	Rental	3	3		*85,133.15	Neighb

9	Southern Mutual Help - New Iberia	100%	Homeownership	5	5	\$486,039.00	55,819.47 (Portion is development fee)
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***Town of Kentwood completed all 3 homes; however one home was destroyed by 18 wheeler truck. Town of Kentwood will return the insurance proceeds.**

Table 3: NSP Grantees not 100% completed; expected to meet goal by November 2012

	Grantee	Status	Project Type	Units required	Units completed	Award Amount	Remaining Balance
1	City of Monroe/Habitat for Humanity of Ouachita Monroe	70%	Homeownership	11	2	\$1,120,000.00	\$411,091.39
2	Habitat for Humanity of Louisiana SSO New Iberia, Lake Charles, New Orleans	45% complete	Homeownership	43	17	\$4,300,000.00	\$3,292,135.29
3	Jericho Road Episcopal Housing - New Orleans	75% complete	Homeownership	7	3	\$847,833.52	\$335,913.61
4	Money Management International	on-going classes	Homebuyer Ed			\$23,000.00	\$8,450.00

5	North East Louisiana Economic Alliance Rayville, Winnsboro, Monroe, West Monroe	disposing	Landbanking	9	9	\$815,601.46	\$93,218.74
6	GCHP-MLK Project - New Orleans	60% complete	Rental	49	0	\$1,723,937.00	\$800,208.49
7	Mid City Gardens/for merly Capital City South - Baton Rouge	80% complete	Rental	60	0	\$14,136,800.00	\$2,176,02.22

Table 5: PROJECTED POTENTIAL REALLOCATION

	Grantee	Project Type	Units required	Award Amount	Proposed Reallocation Amount
1	Habitat for Humanity of Louisiana SSO - New Iberia, Lake Charles, New Orleans	Homeownership	43	\$4,300,000	\$289,116.13 Projected amount of un-used fund at completion.
2	Neighborhood Housing Services	Homebuyer Education		40,000	29,530.00 Un-used funds in budget
3	St. Mary Community	Homebuyer Education		10,000	5700.00 Un-used funds in budget
4	Program Income				288,074.78
TOTAL					\$612,420.91

June 2012 Reallocation Plan

Description

The Louisiana Land Trust, a non-profit organization, proposes to restore LLT properties that are ideal for homeownership. These are located next to other currently occupied properties. NSP I regulation under eligible use E "Redevelop demolished or vacant properties", allows for NSP funds be used to rehabilitate properties. It is the LLT's intent to renovate and then sell to

eligible individuals or families whose income does not exceed 120 percent of area median income.

Without the NSP funds, the LLT properties will not be developed and will be difficult to sell or transfer because of daily deterioration. In their current condition, these blighted properties may bring down the value of neighboring homes.

The sale of the properties will generate NSP 1 program income that will be used to on additional NSP 1.

Estimated Total Budget:

\$891,000

See Attachment 1: LLT Proposal